



Rural Development Council

Health Care and CON

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GHA's Position on CON

GHA supports Georgia's health planning process, Certificate of Need (CON), which preserves **access to health care for all Georgians**, including the rural, uninsured and underinsured populations. CON helps to control costs by requiring all applicants to demonstrate the need for services and facilities in order to prevent overutilization and unnecessary duplication of services, while also **discouraging unfair competition** from facilities that serve few, if any, Medicaid and uninsured patients.

CON Basics

- More than 70% of states have some type of CON program
- CON programs vary widely in terms of how many and what type of services or projects are regulated
- **Georgia's CON program is moderate**
 - Georgia is ranked 18 of 36 based on the number or services regulated

Georgia's CON Program

- Georgia's CON program is made up of a series of statutes, State Health Component Plans, and regulations
- **No major updates to the Component Plans or regulations since the Health Strategy Council was eliminated**
- Component Plans last updated in 2007
- Regulations last updated in 2008
- ASC Component Plan – 1998

Value of CON

- CON supports and protects access to health care services
- Hospitals provide comprehensive and vital health care services to their communities
- Hospitals are required to examine every patient that comes to the emergency room

Value of CON

- Only hospitals can provide:
 - Emergency care 24/7
 - Trauma care
 - ICU & NICU services
 - Graduate Medical Education (GME)
 - Training for the next generation of doctors, nurses and other health care providers
 - Critical care during a state of emergency
 - Georgia hospitals received 81 patients evacuated from Hurricane Florence
- Both tax-exempt and investor-owned hospitals subsidize the cost of these vital services

Value of CON

- Specialty providers only provide one service that is also available at the local hospital
- Specialty providers are not available 24/7
- Specialty providers cannot handle complex or high-acuity patients
- Specialty providers choose which patients to treat
- Specialty providers can simply close their doors in a state of emergency

CON Research

- Results of academic research on the effectiveness of CON programs are mixed
 - Complex nature of health care makes it hard to isolate the impact of CON
 - Only accounting for the presence or absence of CON laws is problematic because CON laws vary widely
- **Research that demonstrates there are fewer inpatient beds and/or lower levels of certain types of equipment is evidence that CON is working**
 - No evidence that Georgia does not have enough capacity of any type of service to meet demand

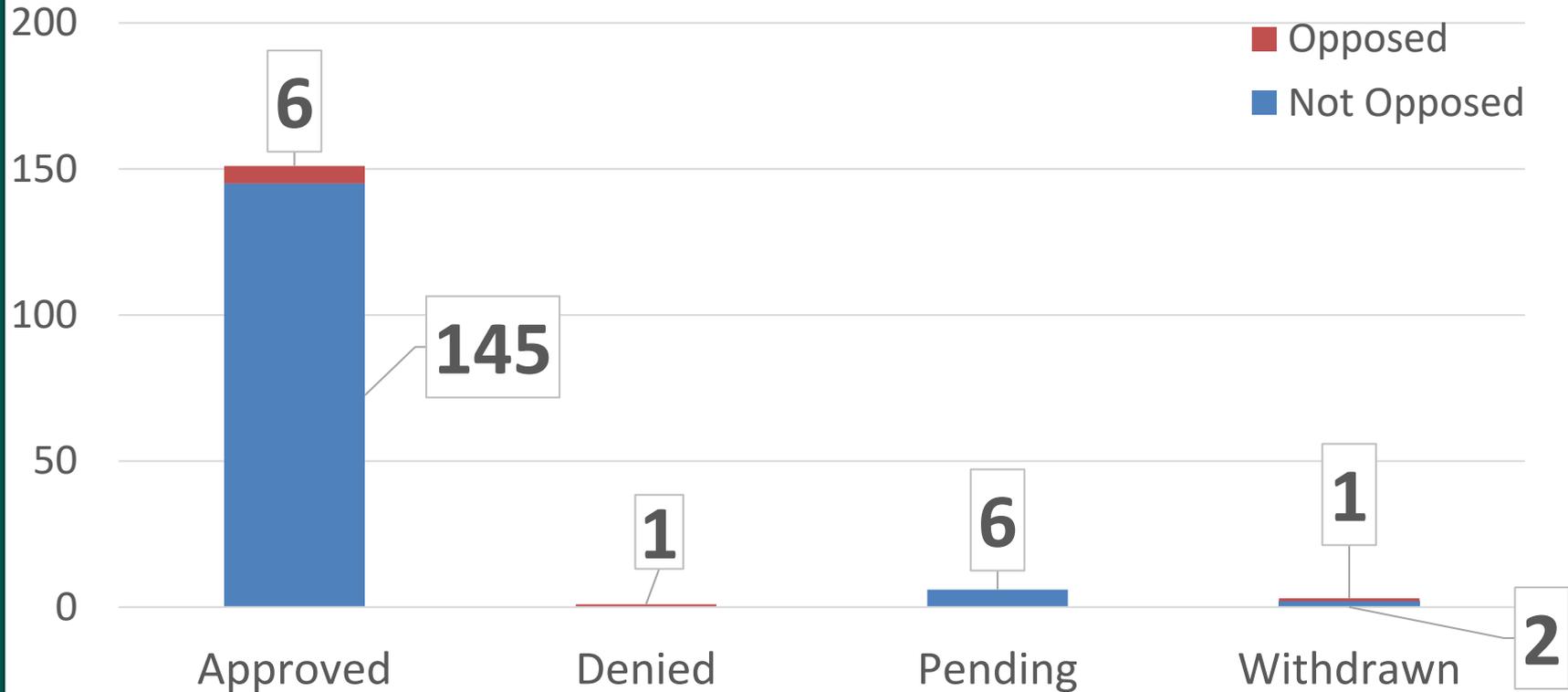
CON Research

- Recent research has found:
 - Hospitals in CON states are **more cost-effective**
 - Hospitals in CON states have **higher occupancy rates**
 - CON laws **enhance competition**
- Georgia's CON program works

Georgia Data

CON Applications for Hospital Construction 2008 – 2018*

*As of April 12, 2018

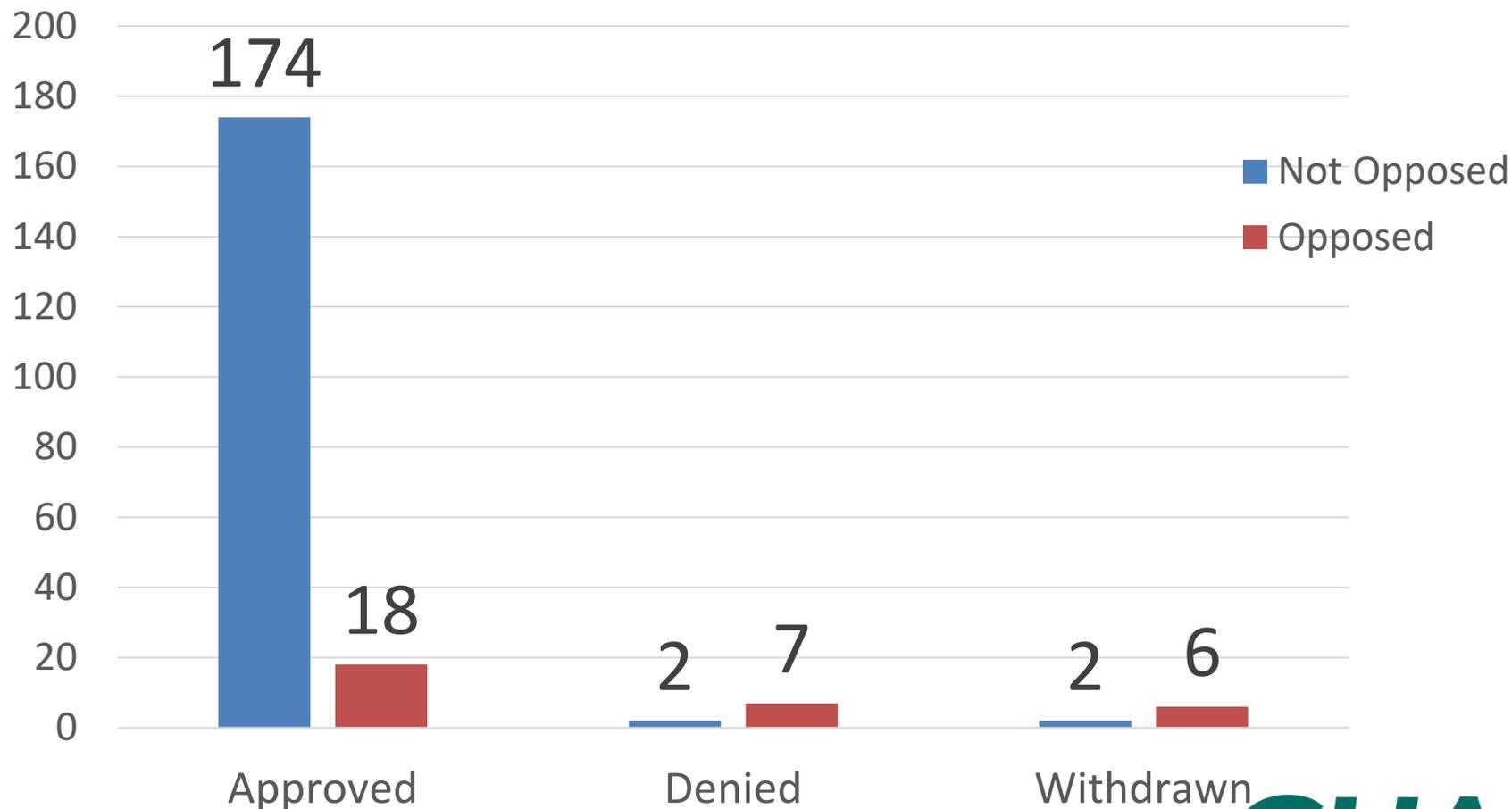


Georgia Data

CON Applications for Equipment* Purchases 2008 - 2018**

* Some data points include CON applications for equipment purchases combined with construction costs

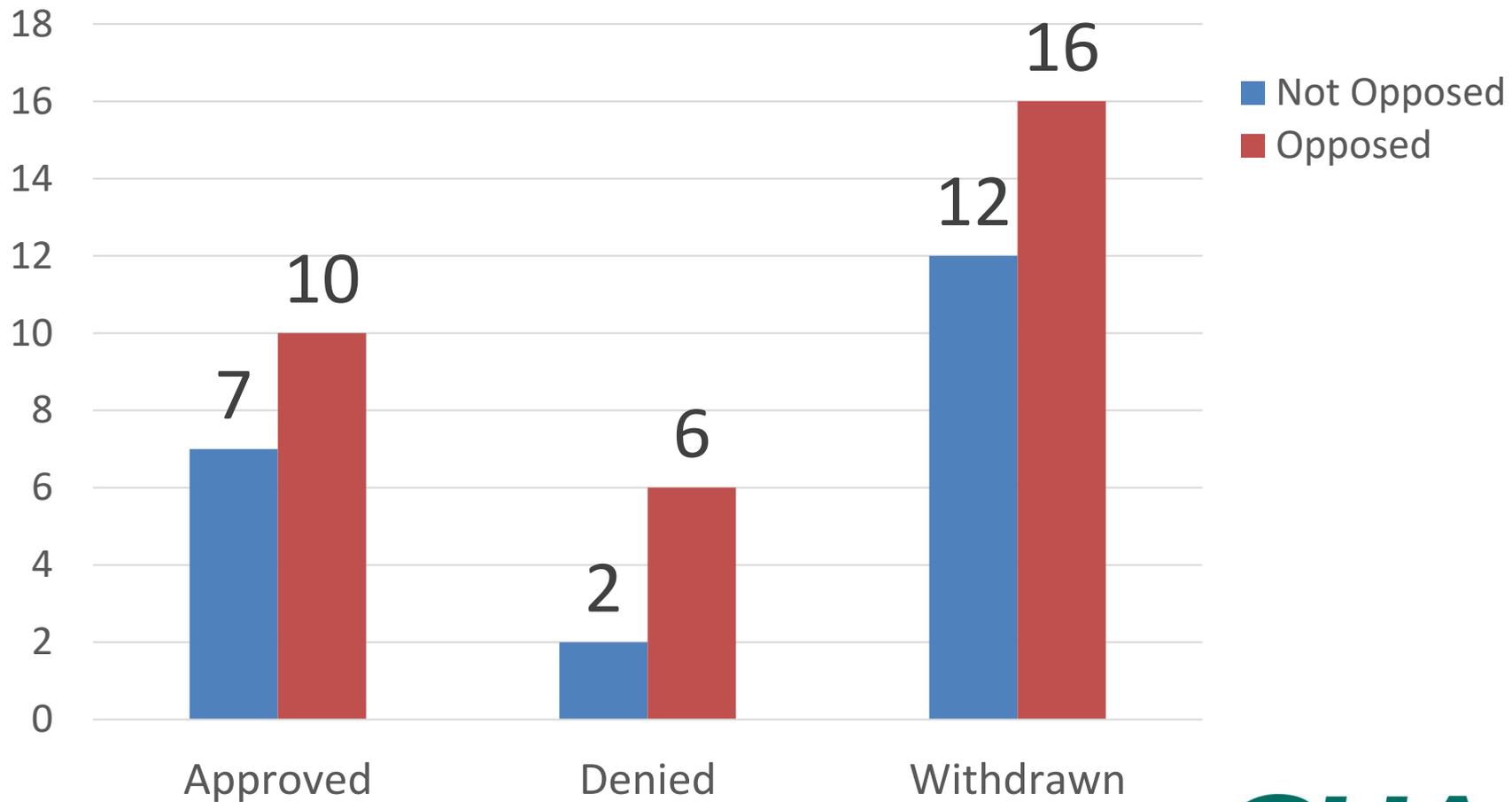
** As of April 12, 2018



Georgia Data

CON Applications for ASCs*

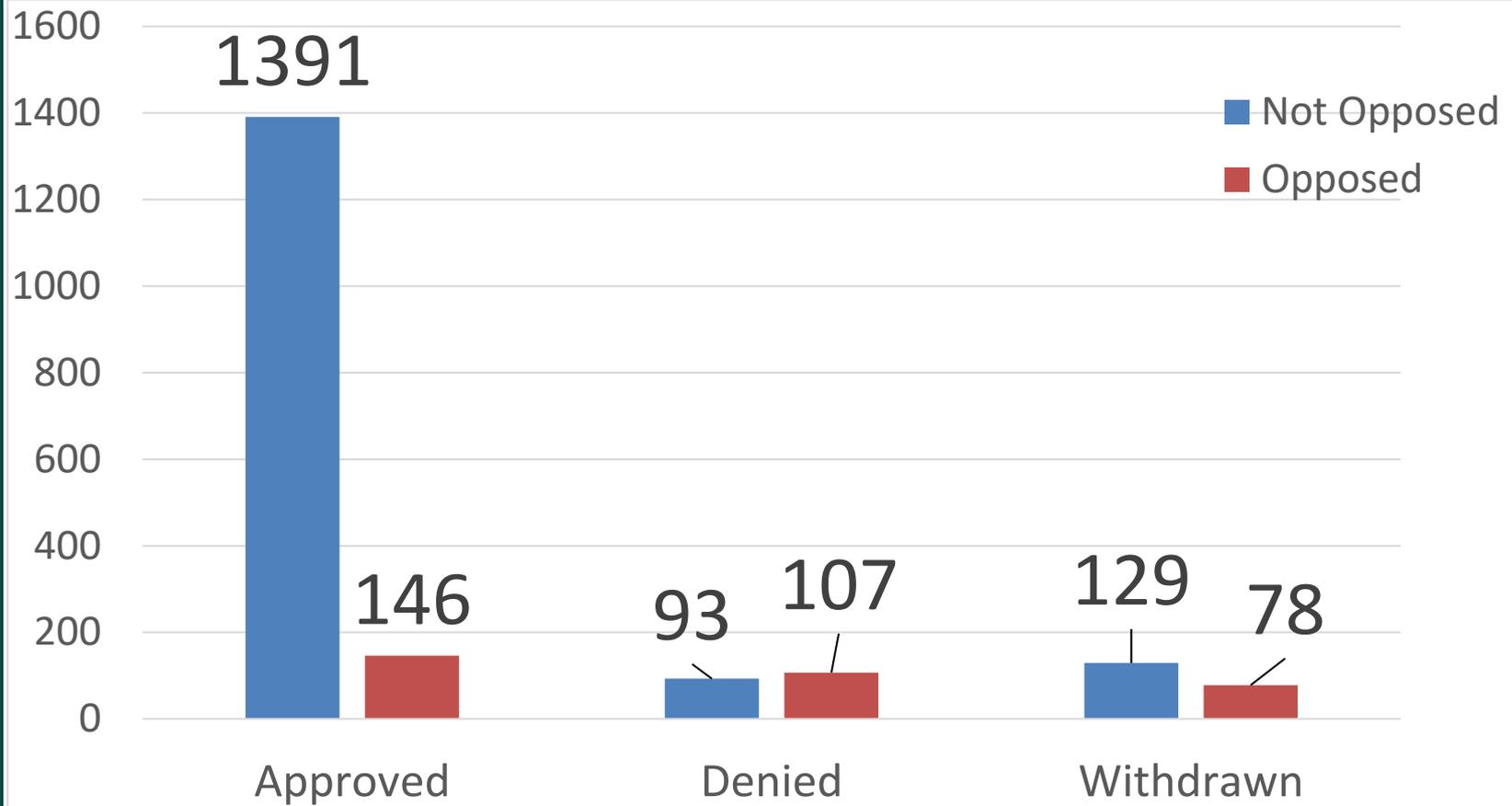
*As of April 12, 2018



Georgia Data

CON Applications for 2008 – 2018*

*As of April 12, 2018



GHA CON Workgroup

- GHA Board Retreat (April 2018)
 - Presentations from Independent Doctors of Georgia (IndDoc), HCA & CHOA
 - Board approved the creation of a CON Workgroup to study and make recommendations for potential reforms or modernizations to the CON program
 - Ultimate goal is to preserve CON
- The Executive Committee of the GHA Board has appointed 20 hospital representatives to the Workgroup

GHA CON Workgroup

- Workgroup has held four meetings, starting in June, with two additional Workgroup meetings scheduled
- Two GHA Membership briefings scheduled in October
- GHA Board to take up Workgroup's recommendations at its November meeting

Answer to CON Questions

NO ONE COMPETES
FOR THE UNINSURED

Questions

